



UNITED STATES DEPARTMENT OF AGRICULTURE
National Agricultural Statistics Service
Washington, D.C. 20250-2000

Operations Memorandum
No. A-12-09

SUBJECT: NASS Annual Employee Performance Appraisal Program

EFFECTIVE: August 31, 2009

EXPIRES: July 1, 2010

FOR ACTION BY: Field Offices (FOs) and Headquarters Units

SEND RESPONSES TO: HQ OA HRSO
Administrative and Financial Management (AFM)-HRD (Human Resources Division)

DUE DATE: See Section V., Schedule and Due Dates

PROJECT CODE: 365

REFERENCE: PSM 57, NASS Performance Appraisal Program
REE Policy and Procedures (P&P) 435.2
NASSNet—NASS Employee Performance Appraisal Program
AFM-HRD website—www.afm.ars.usda.gov/hrd/

Approved by: _____
Administrator

I. GENERAL:

This Operations Memorandum covers the NASS process and procedures for the Fiscal Year (FY) 2009 Annual Performance Cycle; it does **not** include information about the *NASS Annual Awards for Excellence Program* which is covered in A-11-09.

The NASS Employee Performance Program is designed to achieve a results-oriented, high performance workforce by setting performance expectations and goals for groups and individuals to channel their efforts towards achieving organizational objectives. Employee performance elements and standards, objective measures, and employee accomplishments reports are used to determine whether expectations and goals are being met. The regulatory requirements for administering an employee performance appraisal system includes establishment of elements and standards for employee Performance Plans that are measurable, understandable, verifiable, equitable, and achievable. Performance elements tell employees **what** they need to do, and the standards tell them **how well** they need to do it.

A “results-focused” performance appraisal program helps ensure that employees’ work performance is in alignment with the Agency’s strategic goals, objectives, and overall

mission. Specifically, there continues to be an emphasis on strengthening the link between employees' annual performance evaluations and the work unit's performance as assessed from pre-determined performance measures. Each year, even if work unit performance measures have not yet been developed, supervisors should discuss with employees the relationship between their individual performance evaluation and the unit's successes and challenge areas over the rating cycle. Field Offices (FOs) and some HQ units have been working to develop meaningful performance measures for their work units, and showing how those measures help to support the Agency's overall goals and objectives. Each NASS work unit will eventually be required to have at least one measurable activity which provides objective, numerical information using timeliness, quality, quantity, or efficiency components. When these unit performance measures are available, they can be used as an important component of employees' performance evaluations. These work unit performance measures, when available, can be integrated into employees' Performance Plans under Performance Element # 2, Mission Results and Goal Accomplishment.

II. OVERVIEW:

Supervisors will formally evaluate employees once every 12 months. The normal appraisal rating cycle begins October 1 and ends September 30 the following year. Each employee will receive a rating of record if they have served under written performance elements and standards (the Performance Plan) for the minimum appraisal period (90 days). Employees provide important input into the performance evaluation process by documenting their accomplishments for each performance element. Final employee performance ratings determine employee eligibility for performance bonuses.

Reference PSM 57, *NASS Performance Appraisal Program*, and *REE Policy and Procedures (P&P) 435.2, NASS Performance Appraisal Program*, and the Performance section of NASSNet for more information on performance elements and standards, needed forms, and the overall ratings process. Following are some examples of useful reference information: 1.) In 2006, the *NASS Performance Review Team* issued helpful guidance on the differentiation between the Exceeds Fully Successful and Meets Fully Successful performance levels (on NASSNet); 2.) The *Ten-Step Guide to Writing Your Accomplishments Report* can be used by employees to aid them in writing their annual accomplishment summaries (on NASSNet); and, 3.) The AFM-HRD website, www.afm.ars.usda.gov/hrd, contains much additional useful information, including needed performance appraisal forms.

III. THE REQUIRED DOCUMENTS:

The following documents are used in the NASS Employee Performance Appraisal Program. Note that many of these documents are handled exclusively by supervisors.

- A. Employee listings (supervisors only): Prior to the start of the annual employee performance ratings period, NASS supervisors will be sent a listing of all employees for their HQ unit or FO for them to use to certify that the Annual

Performance Appraisal has been completed for each of their employees. It will have columns by each employee name for the supervisor to initial and date.

- B. Performance Plan, NASS 435-A, with the attached 435-B pages--Performance Plan, Progress Review, and Appraisal Worksheet.
- C. Performance Appraisal Summary Rating Form, NASS 435-P (the sheet with the rating details and the signatures).
- D. Employee Accomplishments Reports Form, 435-C.
- E. Recommendation and Approval of Awards Form, AD-287-2.
- F. Preliminary Employee Ratings Spreadsheet (supervisors only). This worksheet will be completed by supervisors and contain **summary counts only** of preliminary employee performance ratings for their office. These spreadsheets are forwarded to HQ for summarization and review by the Senior Executive Team (SET).
- G. A separate justification, written by the supervisor, must be provided for those employees rated as “Unacceptable,” and those employees who will receive a “QSI” (see Section IV., item D2a). For all other employees, only the Accomplishments Reports Form is needed (item D., above).

IV. THE PROCESS:

A. Employee Listings:

Each supervisor will be sent an electronic employee listing for their office that identifies those employees who require ratings this performance cycle. Supervisors will complete the listing for each employee in their unit, certifying that the Annual Performance Appraisal was completed for each employee in their unit. Supervisors will be able to make updates to the listings.

B. Establishing and Communicating Performance Plans:

1.) Performance Plans

Upon an employee’s assignment to a position and the beginning of the appraisal periods thereafter, which is normally 30 days, the rating official will meet with the employee to establish and discuss a written Performance Plan (Elements and Standards). NASS has established generic Performance Plans for NASS positions, with required and optional standards for each element. Office of Personnel Management (OPM) requirements result in periodic updates to these plans. Therefore, supervisors should review the latest templates on NASSNet each year to ensure their plans include the appropriate standards. These Plans may be tailored to reflect specific responsibilities unique to the unit or position, if

necessary, but deviating from the generic Performance Plan must be put in writing and approved by the Rating and Reviewing Officials prior to implementation. If one or more major duties and/or responsibilities of a position change, the Performance Plan should be reviewed to determine if it needs to be updated.

2.) Performance Elements

Performance elements describe what the employee is expected to do. NASS has established five generic elements and standards for employees, of which three are critical, and two are non-critical. Supervisors have two additional elements and standards on Leadership, Supervision and Project Management (Critical), and Customer Service and Communications (Non-Critical).

There is one element common to both supervisors and non-supervisors that links the Agency's goals to individuals' performance. The *Mission Results and Goal Accomplishment* element contains performance measures established by HQ, and others added, as appropriate, which may be pertinent to the FO or HQ unit. State and national performance measures and targets are periodically updated. See Section I., General information.

3.) Performance Standards

A performance standard is a measure to tell the employee how well they have to perform and accomplish their work in order to meet a desired level of performance. NASS performance standards are defined at the Fully Successful level. There are required standards and optional standards outlined for each element describing desired performance in the areas of customer satisfaction, timeliness, accuracy, efficiency, professionalism, organization, communicating effectively, working cooperatively, innovation, and promoting teamwork.

C. Performance Ratings

The normal appraisal rating period begins October 1 and ends September 30 the following year. Employees who have been in their positions and under a Performance Plan for 90 calendar days or more are ratable and must receive an appraisal using the Performance Appraisal Summary Rating Form, NASS 435-P. If an employee has not been covered under a Performance Plan for the minimum appraisal period of 90 calendar days as of September 30, 2009, the appraisal period for that employee should be extended to meet the 90 day requirement, at which time the employee must receive a rating of record. Excluded from coverage are those employees expected to be employed less than 90 days and those employed as trainees under the Student Temporary Employment Program (STEP), or under temporary appointments for less than 1 year.

Trainees employed under the Student Career Experience Program (SCEP) follow the same procedures as a permanent employee.

Employees who are in a full-time training program within the rating period, but performed their duties in their permanent position under a performance plan for a period of at least 90 days should receive a rating for that time. The rating will be based on the performance and contributions made by the employee while in his or her permanent position performing under an approved performance plan. The time spent in full-time training is not reflected in the rating.

Employees who transfer to a different position during the rating year should receive an interim performance appraisal before leaving their current position if under standards for a minimum of 90 days. This interim appraisal should be sent to the employee's new supervisor and used by them to help evaluate the employee's performance for the entire performance cycle.

Note that an employee's signature on the NASS 435-P Form only constitutes receipt of the appraisal. An employee's signature on the form does not mean the employee agrees with the rating given. If an employee chooses not to sign their appraisal, a note should be written in the employee's signature box stating "Performance review was held on (date) and the employee declined to sign." In order to effectively assist an employee who is dissatisfied with their performance rating, supervisors should contact their servicing Employee Relations Specialist.

D. Employee Accomplishments Reports and Auxiliary Justifications:

1. Employees are to write their annual Accomplishments Reports using Form 435-C, or on no more than two separate pages. Each employee is required to document the scope and impact of their performance relative to the five rating elements; the write-up should reflect work performed throughout the rating cycle of October 1, 2008, through September 30, 2009.
2. A written narrative justification providing additional details about the employee's performance must be prepared by the supervisor in only two cases, as specified below. These auxiliary supervisory justifications must accompany the Performance Appraisal Summary Rating Form (435-P).

Supervisors must prepare a written justification for an employee when:

- a.) A QSI is recommended;
- b.) The employee receives an "Unacceptable" rating, which means that one or more "critical" elements are rated as "Does Not Meet Fully Successful." Supervisors should contact their Employee Relations Specialist in this instance.

E. Performance Bonus Awards:

A performance-based summary rating provides a monetary award for sustained employee contributions that exceed standards. NASS recognizes exceptional staff performance with three levels of recognition. Separate award amounts are given for the performance bonus summary ratings of: 1.) Outstanding, 2.) Superior, and 3.) Qualifying Fully Successful (which means two or more appraisal points at “Exceeds Fully Successful,” and none at “Does Not Meet”). Specific performance bonus dollar amounts are set annually by the NASS Administrator.

Ratings	Exceeds	Meet	Does Not Meet	Qualify for Bonus	Accomplishments Reports Required with Performance Appraisal
Outstanding	8	0	0	Yes	Accomplishments Report
Superior	7	1	0	Yes	Accomplishments Report
Superior	6	2	0	Yes	Accomplishments Report
Superior	5	3	0	Yes	Accomplishments Report
Fully Successful	4	4	0	Yes	Accomplishments Report
Fully Successful	3	5	0	Yes	Accomplishments Report
Fully Successful	2	6	0	Yes	Accomplishments Report
Fully Successful	1	7	0	No	None
Fully Successful	0	8	0	No	None
Minimally Acceptable*			No Critical Element	No	None
Unacceptable			Any Critical Element	No	Supervisor’s Written Justification

* If “Does Not Meet” is greater than “Exceeds,” and no critical elements are marked as “Does Not Meet.” For further explanation, see Form 435-P’s section 16.B., Decision Table.

The NASS Administrator provides performance bonus dollar amounts for “Outstanding,” “Superior,” and “Qualifying Fully Successful (QFS).” A bonus for QFS occurs when an employee receives at least 2 appraisal points in the “Exceeds” column. The Awards Form AD-287-2, Recommendation and Approval of Awards, must be prepared for each bonus or QSI nomination. For Field Offices, the Recommending Individual (block 20) will be the Deputy Director; the Reviewing Official (block 21) will be the Director. DAFO will sign as the Approving Official. For bonuses to Deputy Directors and Administrative Technicians, the Recommending Individual will be the State Director and DAFO will review and approve.

For HQ units, the Recommending Individual will be the Section Head; the Branch Chief will be the Reviewing Official; the Division Director will be the Approving Official.

F. Quality Step Increases (QSIs):

A Quality Step Increase (QSI) may be recommended only for those employees who receive an "Outstanding" rating, who have not received a QSI within the last 52 weeks, and who have not been promoted or reassigned to a different position since October 1, 2008. Supervisors must indicate their QSI recommendation on their Preliminary Employee Ratings Spreadsheet for their FO or HQ unit, which will be sent in to the HQ OA HRSO official mailbox by supervisors by September 25, 2009 (see Section V, Schedule and Due Dates), as these must be approved in advance by the NASS Administrator. QSIs are given in the position and at the grade level for which performance was assessed. Note that QSIs to the 4th and 7th steps of a grade extend the employee's current within-grade waiting period by one year. For specific questions regarding QSIs, refer to the HQ OA HRSO staff, or to your AFM-HRD contact.

A citation must be provided in Block 11 of the Awards Form (AD-287-2), for bonus awards and QSIs using the following citation: "This award is based upon an official performance appraisal rating of (***Fully Successful, Superior, or Outstanding***) for the rating period ending September 30, 2009." An additional supervisory written justification must accompany the employee Accomplishments Reports for those employees who are recommended for a QSI.

G. Preliminary Employee Ratings Spreadsheet (supervisors only)

NASS will employ a Preliminary Ratings Approval Process. This is a process where the tentative ratings formulated by rating and reviewing officials will undergo a review by the Human Resources Council (HRC) for consistency across the Agency and comparison/evaluation to the achievement of overall Agency goals. An Excel spreadsheet, provided by the HQ OA HRSO, is completed by supervisors and returned to HQ for preliminary review. Supervisors will send the completed ratings summary information in the spreadsheets back to the HQ OA HRSO official mailbox, where the summaries will be consolidated and provided to the HRC for review and approval. After the HRC review, the final ratings summaries information will be communicated to supervisors. At that time, adjustments to final employee appraisal and performance bonus forms, if any, should be made, performance discussion held with employees, performance appraisal forms signed by employees and supervisors, and the packages submitted to HQ as specified in Section VII., Preparing the Final Performance Packages.

V. SCHEDULE AND DUE DATES:

- **September 1:** NASS Employee Listings prepared by AFM-HRD for each NASS Field Office and HQ unit and sent to NASS's HQ OA HRSO official mailbox for review and distribution to supervisors.
- **September 4:** Supervisors are sent their Employee Listings and Preliminary Ratings Spreadsheet from the HQ OA HRSO official mailbox.
- **September 11:** Employee Accomplishments Reports due to Supervisors.

- **September 18:** Final FY 2010 goals established by the NASS Business Council.
- **September 25:** Preliminary Employee Ratings Spreadsheets due to the HQ OA HRSO official mailbox from supervisors for their HQ unit or their Field Office.
- **September 29:** SET members receive the Agency-level spreadsheet showing the summarized preliminary Employee Ratings as submitted by each HQ unit and Field Office.
- **October 2:** HRC meets to discuss Agency summary ratings.
- **October 5-7:** Final ratings and QSI approvals communicated to NASS supervisors.
- **October 8-23:** Individual performance discussions held with employees, performance appraisals signed, etc., during this period.
- **October 28:** Complete performance packages due to the HQ OA HRSO from each FO or HQ unit (see Section VII., Preparing the Final Performance Packages). The final package for each FO or HQ unit must include the: 1.) Cover sheet, which is the Employee Listing for that FO or HQ unit, with the supervisor's initials and date by each employee's name; 2.) Original AD-287-2, Recommendation and Approval of Awards Form; 3.) Original AD 435-P, the Performance Appraisal Summary Rating Form, with accompanying signatures; 4.) Original AD-435-C Form, Accomplishments Report, along with any needed auxiliary supervisory justifications; and, 5.) Original AD-435-A, the Performance Plan, with the Progress Review and completed final Appraisal signature blocks--the first page only (one with the signatures) for the cycle ending September 30, 2009. This is the only page that needs to be sent--the accompanying 435-B pages do not need to be transmitted and should be retained locally.
- **October 30:** The HQ OA HRSO will obtain Senior Executive signatures on required forms, account for the performance appraisal and recognition of ratable employees, and forward all forms to AFM-HRD for processing.
- **October 30:** FY 2010 Performance Plans in place for all NASS employees, with employee's and supervisor's signature blocks completed.
- **November 2-6:** NASS HRSO and AFM-HRD work together on-site at the Portals Building to review NASS Performance packages for compliance with the performance process and to resolve problematic packages.
- **November 8 (Pay Period # 23):** Effective date of all performance bonuses received by AFM-HRD by October 30, 2009, for payout to qualifying NASS employees on December 14, 2009 (Pay Period 24). Forms received by AFM-

HRD after the October 30 cut-off date may not be processed in time for employees to receive their performance bonuses in Pay Period 24.

- **December 17:** Qualifying NASS employees receive their performance bonuses in pay checks.

VI. THE APPROVAL PROCESS:

The Performance Appraisal Summary Rating Sheet, NASS 435-P Form, is where the required approvals must be obtained for each employee's annual performance rating. The original of this sheet is ultimately sent to HQ after the appraisals have been completed; a copy of it must be maintained by the supervisor on site, along with the accompanying pages (Form 435-B).

The 435-P Summary Rating Sheet contains the employee's rating for each Performance Element, their Summary Rating (Outstanding, Superior, Fully Successful, Minimally Acceptable, and Unacceptable), along with four signature and date blocks at the bottom of the form: 1.) the Employee's Signature; 2.) the Supervisor's Signature; 3.) the Reviewer's Signature; and, 4.) the Approving Official's signature. The documentation below provides an overview of the performance ratings process and the proper procedures for approval and signing of the 435-P Forms.

In mid-September, following receipt of each employee's Accomplishments Report, first-level supervisors will do a **preliminary rating** for each of their employees and discuss them with their immediate supervisor. The first-level supervisor should then prepare the Preliminary Employee Ratings Spreadsheet for their unit and send it in to the HQ OA HRSO official mailbox by September 25, 2009 (see Section V., Schedule and Due Dates). Note that this spreadsheet contains only summary information about overall ratings for the FO or HQ unit and does **not** contain any individual employee names or individual employee preliminary performance ratings.

After the Preliminary Ratings Spreadsheets are received from each NASS HQ unit and FO by the HQ OA HRSO, the HRC will meet on October 2, 2009, to review the summary ratings information for the entire Agency in order to promote consistency in ratings. Information from the HRC's review on final summary ratings and QSI decisions (QSIs must be approved by the NASS Administrator) will be communicated by the HRC members to their respective State Directors and HQ supervisors no later than October 7.

It is at this time that supervisors should make any final needed adjustments to the preliminary appraisal and performance bonus forms prepared earlier for each employee. **Prior** to holding any performance appraisal discussions with employees, the first-level supervisors should sign and date each employee's 435-P form as "Supervisor," and the second-level supervisor should then sign and date the form as "Reviewer" to indicate agreement with the rating. For most Field Office appraisals, the Deputy Director would sign in the "Supervisor's" signature block, and the State Director would sign in the "Reviewer's" signature block. For most Headquarters' Unit appraisals, the Section Head

would sign in the “Supervisor’s” signature block, and the Branch Chief would sign in the “Reviewer’s” signature block. Note that Office of Personnel Management regulations dictate that the Rating and Reviewing Officials must be in the employees’ chain of command and be at different supervisory levels to allow for the higher level review.

Performance discussions can then be held with employees during the time period of October 8-23, 2009 (see Section V, Schedule and Due Dates). Each employee will sign their 435-P Form in the “Employee’s” signature block after their performance appraisal discussion with their supervisor.

The last signature block on the 435-P form is the “Approving Official’s.” This is for NASS’s internal use and is not mandated by the Department or by the Office of Personnel Management. For HQ units, the appropriate Approving Official’s signature can be obtained prior to submitting the final performance appraisal packages to the HQ OA HRSO. For Field Office State Directors, the “Supervisor,” “Reviewer,” and “Approving Official” signature blocks on the 435-P form are signed by DAFO--the Deputy Administrator for Field Operations, and one of the two Associate Deputy Administrators. Also, DAFO signs the “Reviewer” block of the 435-P forms for the Field Office Deputy Directors and Administrative Technicians. After DAFO has signed the Directors’, Deputy Directors’, and Administrative Technicians’ 435-P forms, the HQ OA HRSO will return copies of them to the appropriate FO.

Supervisors must submit the complete performance package for their FO or HQ unit to the HQ OA HRSO by October 28, 2009 (see Section VII., Preparing the Final Performance Packages).

VII. PREPARING THE FINAL PERFORMANCE PACKAGES:

Supervisors are responsible for preparing the final performance packages for their unit, and sending them in to HQ according to the schedule. The final package should contain the following and needs to be stapled together in the specified order and sent to the HQ OA HRSO by October 28, 2009.

The Employee Listing certifying the issuance of the performance ratings should be the cover sheet of the entire package for that FO or HQ unit. The Employee Listing should be followed by the needed documents for **each employee** in the unit:

- 1.) Original AD-287-2, Recommendation and Approval of Awards Form;
- 2.) Original 435-P, the Performance Appraisal rating form, with accompanying signatures;
- 3.) Original AD-435-C, Accomplishments Report, along with any needed auxiliary supervisory justifications;
- 4.) Original AD-435-A, Performance Plan, the first page only (one with the signatures), for the cycle ending September 30, 2009; this is the only page that

needs to be sent--**the accompanying 435-B pages do not need to be transmitted and should be retained locally.**

Paper copies of the employee's final appraisal, performance bonus, and Accomplishment Report, with all required signatures completed, should be sent to the supervisor for their files and a copy given to the employee. The FOs and HQ units must maintain the complete Performance Plan package (435-A, along with the accompanying 435-B pages) for each employee, for a period of 5 years. This document will be needed in the event of an audit, retirement, resignation, separation, etc. Note that Individual Development Plans (IDPs), training forms, or other management documents should not be included in the submitted package, as these are not required documents in the Employee Performance File and will not be kept, even if received.

The HQ OA HRSO will obtain Senior Executive signatures and dates on required forms, account for the performance appraisal and recognition of ratable employees, and forward all forms to AFM-HRD on October 30, 2009. AFM-HRD will make all performance bonuses received by this date effective November 8, 2009 (Pay Period # 23), for payout December 14, 2009 (Pay Period # 24).

VIII. LOOKING AHEAD:

Supervisors should use their annual performance appraisal meetings with employees as an opportunity to discuss the upcoming year's Performance Plan, since these will need to be put in place and signed sometime during the first 30 days of the new FY 2010 performance cycle (October 1, 2009, through September 30, 2010), with the target date to have all of them in place by October 30, 2009 (see Section V, Schedule and Due Dates). As performance measures are developed by each work unit and linked to the Agency's overall goals and objectives, the measures should be discussed with employees and integrated into their Performance Plans under Performance Element # 2, Mission Results and Goal Accomplishment.

IV. QUESTIONS:

Questions should be referred to Jay Johnson (202) 720-5141, or Theresa Bailey, AFM-HRD, (301) 504-1452; or emailed to NASS's Human Resources Services Office official mailbox, HQ OA HRSO.

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